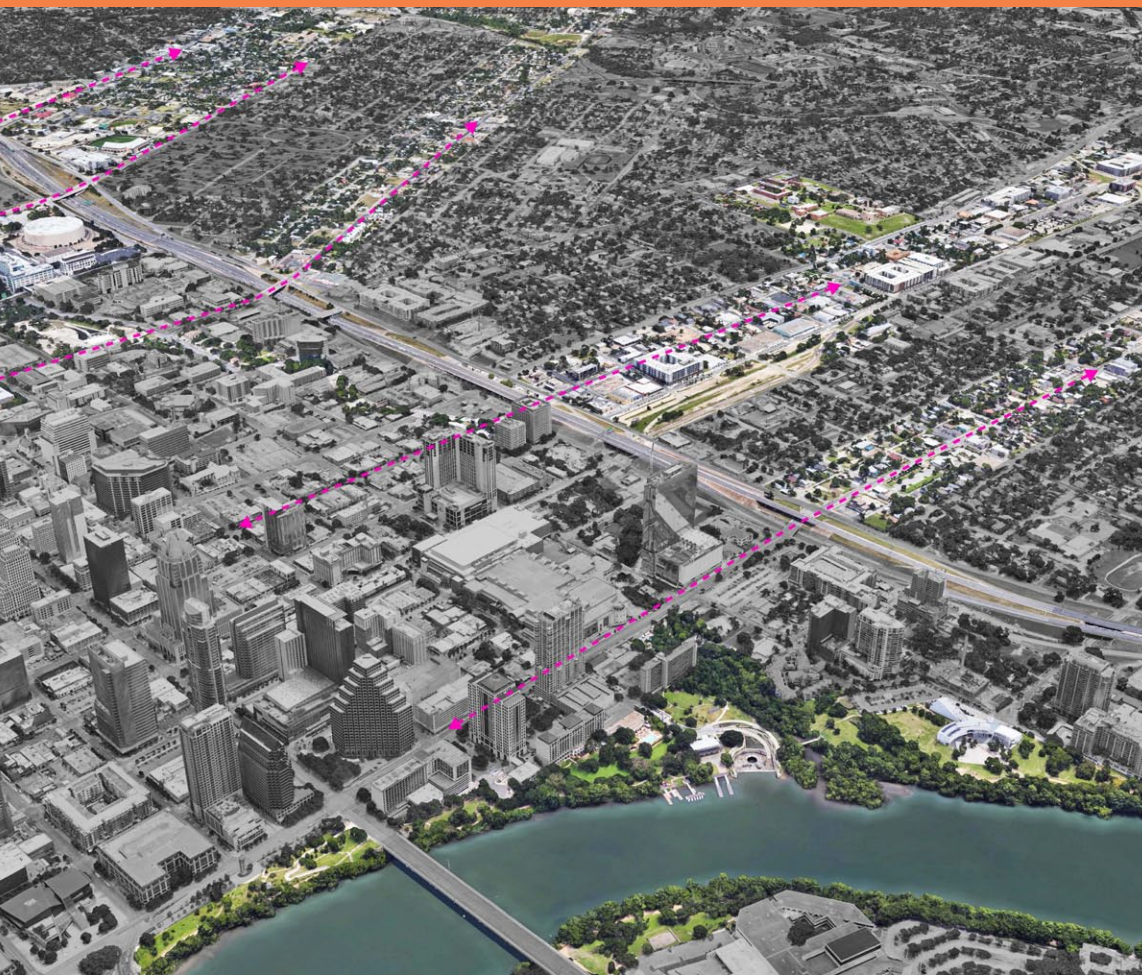


## **EXHIBIT S**

# The I-35 Corridor Austin, Texas

A ULI Advisory Services Panel Report

February 23–28, 2020





# The I-35 Corridor Austin, Texas

Providing an Integrated Approach to Transportation Planning  
and Managing Growth

A ULI Advisory Services Panel Report

February 23–28, 2020



Urban Land Institute  
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# About the Urban Land Institute

**THE URBAN LAND INSTITUTE** is a global, member-driven organization comprising more than 45,000 real estate and urban development professionals dedicated to advancing the Institute's mission of providing leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 80 countries.

The extraordinary impact that ULI makes on land use decision-making is based on its members sharing expertise on a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. In 2019 alone, more than 2,443 events were held in about 332 cities around the world.

Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at [uli.org](https://uli.org). Follow ULI on Twitter, Facebook, LinkedIn, and Instagram.

**COVER PHOTO:** Downtown Austin Alliance, Kelsey James-Kavanaugh/ULI

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# About ULI Advisory Services

**THE GOAL OF THE ULI ADVISORY SERVICES** program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled more than 700 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfield redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and are screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives, a day of hour-long interviews of typically 50 to 100 key community representatives, and two days of formulating recommendations. Long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. A written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's five-day panel assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics,

representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

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## Acknowledgments

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A special thank you goes to Dr. Colette Pierce Burnette, president of Huston-Tillotson University, for her participation and for hosting the Friday presentation.

This panel would not have been possible without the extensive work by Melissa Barry, Andre Boudreaux, Casey Johnson Burack, Rebecca Hagler, Dana Hansen, Alex Martin, Vanessa Olson, Pam Power, and Emily Risenger. They prepared the briefing materials, tours, and interview invites and answered the panel's many, many questions. They also pulled together many interested parties to help shape the panel's questions as well as provide background and input to inform the panel's deliberations.

Thank you as well to ULI Austin and leadership provided by Paulette Gibbins.

Finally, the panel would like to thank the more than 100 residents, business and community leaders, and representatives who shared their perspectives, experiences, and insights with the panel during our week in Austin.

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## Project Background and Key Recommendations

**THE TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT)** is poised to initiate a transformational project for the city of Austin. TxDOT is preparing for the schematic design and environmental review of an approximately 10-mile reconstruction project of Interstate 35, known as the Capital Express Central Project (I-35 project), through the heart of central downtown Austin. The project will include lowering about three miles of elevated highway through the city center as well as capacity and connectivity improvements to the south and north at the same time as the downtown segment.

In the 1950s, before the construction of I-35, the land on which it sits today was a green boulevard named East Avenue, with small frontage streets on either side providing access to single-family homes. Frequent cross streets offered continuity between east and west. Today it is a sea of pavement held up on robust concrete structures and earth berms, with multilevel changes in grade to incorporate frequent access ramps that connect to the city's arterial streets. The sidewalks along the few streets that pass under the highway are hazardous and unwelcoming.

The interstate is a barrier to the connectivity of city neighborhoods to the west and east, furthering the physical

separation of downtown from the African American and predominantly Mexican American communities on the east side. This divide was originally created as part of the city of Austin's 1928 Master Plan, which forced African American residents to live within a six-square-mile boundary to maintain segregationist policies. Mexican Americans were also forced to live east of East Avenue.

This project has been a long time in the making. For more than two decades, city officials and community leaders have offered proposals that would improve connectivity and reengage the districts located along the west and east sides of the broad interstate right-of-way (ROW). During its preparation for



## DEFINING CAPS AND STITCHES

This report defines caps and stitches as follows.

### Cap



*Klyde Warren Park in Dallas, located over the Woodall Rodgers Freeway, is an example of a cap.*

A *cap* is a structural cover over the highway right-of-way that may support green space, a park, crossing streets, and/or buildings. Caps can strategically link the neighborhoods that the highway separated or divided. The cap can offer opportunity for such alternative forms of movement as bicycles, walking, and vehicles traveling locally. If such a plan receives public approval, the cap may become a development site that also increases the value of adjoining properties.

### Stitch



*The Cap at Union Station in Columbus, Ohio, is an example of a stitch, enhancing North High Street as it crosses Interstate 670.*

A *stitch* is an enhanced crossing over the right-of-way. Such crossings often include widened sidewalks, bike lanes, seating areas, and related open space to support more mobility, buildings, or green space. A wider stitch reduces sound pollution from the right-of-way and makes the crossing more inviting.

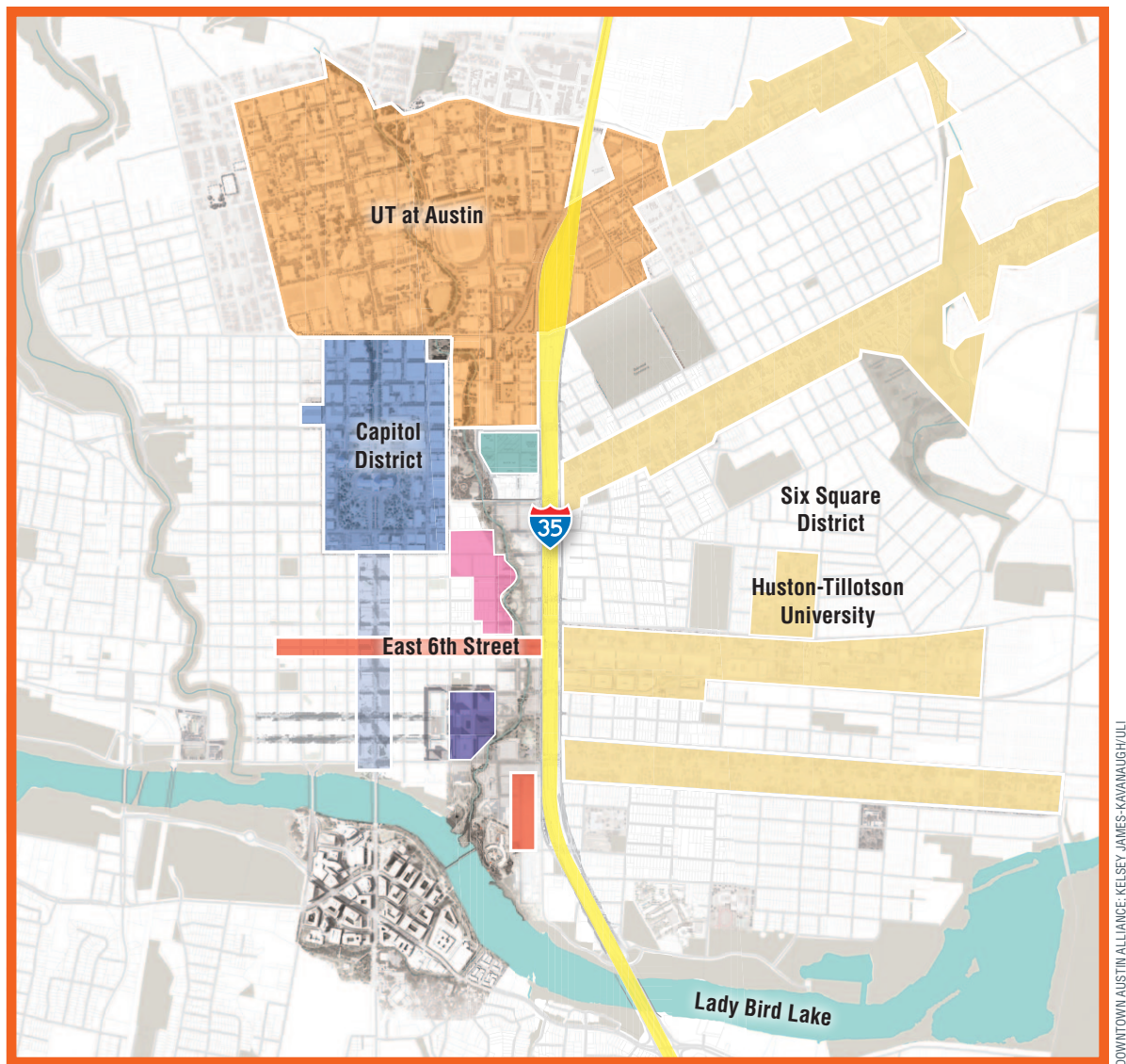
the I-35 project, TxDOT investigated a series of engineering alternatives for the improvement of I-35 to meet the needs of the future. These alternatives considered adding covers over depressed lanes of travel for cars, trucks, and buses and specifically identified local areas where “caps” and “stitches” might be added.

At the time of the panel, the state of Texas had allocated an estimated \$7.5 billion to upgrade the aging highway infrastructure and expected to begin construction in 2024 or 2025. This amount and the timing may change in response to the economic fallout since the panel took place, caused by both the novel coronavirus (COVID-19) and turmoil in the oil markets. Funding had not yet been identified for the caps and stitches.

I-35 is critically important to the city and surrounding region. It is a key commercial corridor that spans 550 miles and connects

the United States to Mexico and Canada; an estimated 37 percent of all NAFTA trade through Texas is concentrated on the I-35 corridor. It also serves as a central transportation spine through downtown Austin, providing access to commercial centers including downtown, the Capitol district, and the University of Texas at Austin campus, as well as residential neighborhoods across the eastern and northern sections of the city. Each day, I-35 serves more than 200,000 vehicles with a split of about 70 percent local and 30 percent through traffic. Traffic congestion worsens every year; the growth in delay has reached more than 450 percent regionally since 1993.

The I-35 project will go through an extensive environmental review process that includes public input as required by the National Environmental Policy Act (NEPA). Currently, TxDOT anticipates the scoping phase of the NEPA process will begin in April or May 2020 before the fall open house. This presents



*Districts and campuses within the study area.*

a once-in-a-lifetime opportunity for the Austin community to organize around its vision for the future of the city and to leverage the scoping process to advocate for a design approach to the I-35 reconstruction that aligns with community goals and priorities. The need for action is urgent.

## Questions for the Panel

The Downtown Austin Alliance convened the Future of the I-35 Task Force (I-35 Task Force) to prepare materials for this Advisory Services panel. This included a set of questions encompassing vision and connectivity, implementation and funding, and affordability and equity effects. The I-35 Task Force, consisting of many stakeholder groups, also identified precedents from across the United States. In particular, it

sought to understand the potential of capping the highway to create new at-grade connections between East Austin and the downtown. The key tasks for the panel included the following:

- Two or three design alternatives for the project that (a) the community can build upon through a through engagement process and (b) TxDOT can integrate into the I-35 project schematic design, which must include:
  - Direct transit access from the managed lanes into downtown and the University of Texas at Austin campus;
  - More green space; and
  - Enhanced multimodal mobility on the east–west connections;

- A public engagement process and road map that align with TxDOT's community engagement schedule for the I-35 project and result in a community-led vision and design; and
- A phased and actionable implementation and funding plan for the project with a focus on equitable development.

## Key Recommendations

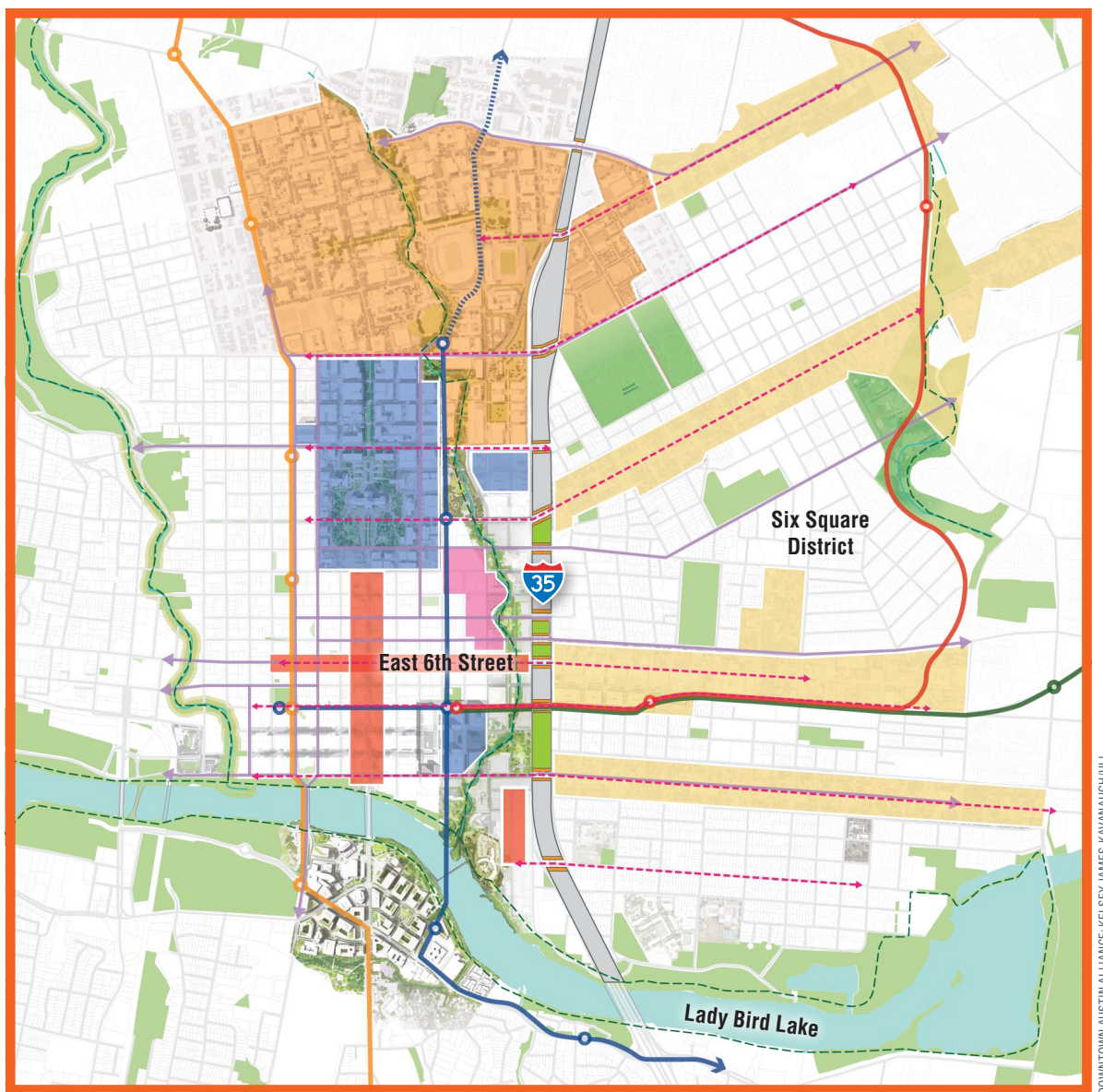
On the basis of briefing materials, tours, interviews, and analysis, the panel identified the following five key recommendations:

- 1. The time for setting Austin's future is now!** During the course of the panel, the state of Texas and TxDOT announced that the central segment of the I-35 reconstruction was being fully funded at \$3.4 billion; the northern and southern segments had been previously funded (total \$7.5 billion). This is a once-in-a-generation project that can be transformative.
- 2. The potential for this project is broad.** The city should take advantage of the opportunity to create a fully integrated I-35 corridor with a transformed network of mobility, link with a regional transit system, create development and investment opportunities for adjoining communities, and address some of the challenges of displacement, affordability, and inclusion.
- 3. The next six to 12 months are a critical time for idea exchange.** This time will inform the upcoming NEPA process that will include an environmental impact statement. The communities of Austin must move forward with a shared vision for the project. This will require a new inclusive approach to co-create the vision and principles that prepare Austin for equitable and sustainable growth while also increasing affordability for housing, retail/entertainment venues, and small businesses. Achieving the potential outcomes of the I-35

project and its design will depend upon an integrated mobility approach that better links the city and the region in a way that does not just create more congestion. It will also create the ability to knit back together the east and west sides of Austin as well as free up some of the proposed ROW for other uses such as affordable housing.

- 4. Successful implementation will require new forms of governance.** A Scoping Working Group should be formed as soon as possible to provide vision and stakeholder engagement. This group then will evolve into a Project Steering Committee to provide vision and policy direction for a newly formed, purpose-driven nonprofit development corporation and an I-35 Conservancy. Longer term, a new nonpartisan and independent entity should be formed to capture the benefits of the I-35 project and to realize a vision of growth and connectivity for the Austin region. Through this approach, Austin can achieve its objectives for equitable and sustainable growth built on the commitment and resources put into the I-35 project.
- 5. This project can be part of the solution—but not the whole solution.** Finally, and importantly, the panel heard repeatedly that I-35 has increased rather than diminished the division and entrenched inequities of East Austin. This transportation project will not solve all problems or remediate past injustices, but it can be an impetus for great change. Additional initiatives, policies, and programs will be required to advance a future that helps heal the trauma, pain, and inequities created in the past.





*The panel envisions that the I-35 project can create a more integrated approach to transportation and manage growth for the Austin region.*